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Report of the Office of Ethics

Summary

This report of the UNICEF Office of Ethics covers the calendar year 2010. It is the second report presented to the Executive Board. As required by the Secretary-General's bulletin, United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), it has been reviewed by the United Nations Ethics Committee for comment, and has been submitted to the Executive Director of UNICEF.

The first report covered the period during which the Ethics Office was being set up and developing its work. This report shows that, based on the work on new systems in 2009, the financial disclosure programme matured in 2010. The new filing methods proved to be robust, improving the quality of the disclosures. In addition, a review of disclosures was initiated. Training and communications programmes continued to reach out to staff with a values-based approach. This outreach is linked to an increase in queries and to additional requests for training.

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Introduction

1. This is the second annual report presented to the Executive Board, in compliance with its decision 2010/18. It covers the third full year of functioning of the UNICEF Office of Ethics.

2. The major activities and accomplishments of the year include considerable focus on financial disclosure system, improving it so that it could more actively contribute to risk mitigation in the organization; the first review of the disclosures that have been filed by UNICEF staff, and the launching of feedback and counselling to staff on actual and perceived conflicts of interest; more extensive outreach on ethics, including through the website, training, and other advocacy; expanded provision of advice to staff on ethical issues; and greater involvement in policy development on ethics-related issues.

3. Much of this was made possible with the recruitment of a P-3 Ethics Specialist, who took up her post in April 2010. This post focuses on administration of the Financial Disclosure Programme, including review of disclosures and preparation of advice to staff on conflicts of interest. With this, the office is fully staffed for the current biennium.

Clear governance framework

4. In 2010, the governance framework for the ethics programme was shaped by the issuance of several policy documents. The report on Ethics in the United Nations System was issued by the Joint Inspection Unit. Its recommendations provided an occasion for wider discussion on ways of further integrating and mainstreaming the ethics programme in the organization, and on the role of the Ethics Officer, including in relation to other parts of the organization.[1] The other is Executive Board decision 2010/18, which provides a framework to increase the independence of the Ethics Office, thereby reinforcing its ability to show that ethical principles apply to all staff, and to raise issues of importance with the appropriate bodies in the organization. These policy documents complement the existing key United Nations documents on ethics to guide and support the work of the Ethics Office.[2] The Executive Director is mainstreaming ethics concerns in his discussions with staff, and is reinforcing the perspective that the same ethical principles — and the same set of regulations — guide all levels of staff.

Main activities

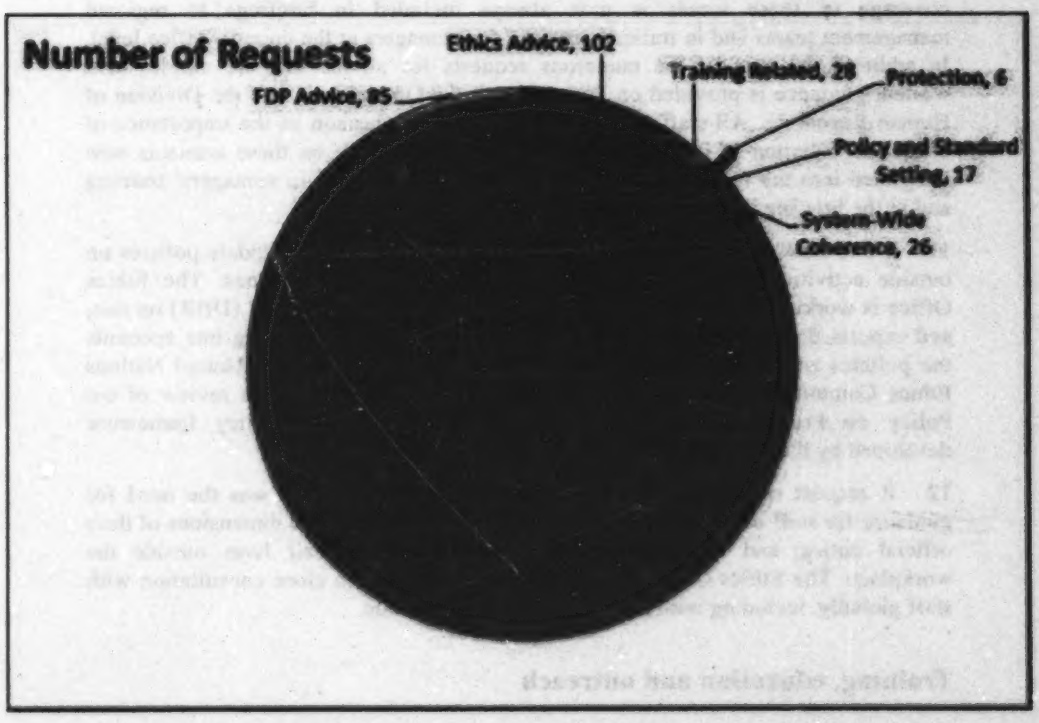
5. During 2010, as in 2008 and 2009, management and administration of the Financial Disclosure Programme was the main activity, in terms of staff time. Major improvements were made in the programme and are already showing benefits — in terms of an easier and less time intensive interface for those who file as well as for those who administer the programme — this makes analysis far easier. The review

[1] See Ethics in the United Nations System (JIU/REP/2010/3).

[2] These documents include ST/SGB/2007/11, United Nations system-wide application of ethics: separately administered organs and programmes; the Terms of Reference for the Ethics Officer; and the Audit of Ethics in country offices.

of disclosures already appears to be linked to an increase in substantive queries to the Ethics Office. This was the first year in which the programme used a fully automated system and the first time that a review was undertaken of previously filed disclosures.

6. Queries to the Ethics Office increased in 2010, as did their complexity. Requests are received and replied to in both English and French. The total number of requests was 1,055. Of these, 102 were for ethics Advice, 28 training-related, 3 requests for protection against retaliation, and 17 had to do with standard-setting. Discussions in the Ethics Committee and the Ethics Network generated 26 queries about practices and views of ethical issues in different parts of the United Nations system. The largest category of queries, 879, had to do with the Financial Disclosure Programme. Now that the programme has reached maturity and the systems are better developed, these queries are divided into two categories: 794 technical queries about the working of the system and 85 substantive requests.



7. Throughout 2010, the Ethics Office worked closely with the Division of Human Resources, especially the Policy and Administrative Law Section and the Office of the Staff Counsellor; the Legal Advisor; the Office of Internal Audit, including the Investigations Unit; the Office of the Internal Ombudsman; the Programme Division; Information Technology Solutions and Services; the Global Staff Association; and it met regularly with the Office of the Executive Director.

8. This annual report covers each of the mandated areas of work for the Ethics Office: (a) standard setting and policy support; (b) training, education and outreach; (c) advice and guidance; (d) the Financial Disclosure Programme; (e) protection of staff against retaliation; and (f) participation in the United Nations Ethics Committee.

Standard setting and policy support

9. One of the main functions of the Ethics Office is to provide guidance to UNICEF management, to ensure that policies, procedures and practices reinforce and promote the ethical standards called for under the Charter of the United Nations.

10. In 2009, one of the needs for policy clarification that was identified was to ensure that supervisors can provide clear guidance on conflicts of interest, including those resulting from outside activities, gifts, and political engagement. As a result, coverage of these issues is now always included in briefings to regional management teams and in training sessions for managers at the country-office level. In addition, in light of the numerous requests for advice that are employment related, guidance is provided on how to reach the Ombudsman and the Division of Human Resources. All-staff training also includes discussion of the importance of conscious attention to intercultural understanding. Content on these issues is now integrated into the face-to-face training sessions for all staff, in managers' training and in the briefings to management teams.

11. Other issues identified during the year include the need to update policies on outside activities, honours, gifts, and post-employment restrictions. The Ethics Office is working closely with the Department of Human Resources (DHR) on this, and expects that these can be combined for issuance in 2011, taking into accounts the policies and best practices that have been shared through the United Nations Ethics Committee. In addition, the Ethics Office will coordinate a review of the Policy on Protection against Retaliation, building on the policy framework developed by the United Nations Ethics Committee.

12. A request raised at ethics briefings and training sessions was the need for guidance for staff in deepening their understanding of the ethical dimensions of their official duties, and the connection that this has with their lives outside the workplace. The Ethics Office will develop this guidance in close consultation with staff globally, including with the Global Staff Association.

Training, education and outreach

13. In 2010, the ethics website on the intranet was strengthened; increased use was made of internal communications mechanisms; face-to-face training continued both in country and regional offices and at headquarters divisions; briefings were conducted with functional groups including supply, the New and Emerging Talent Initiative (NETI) participants, operations officers, deputy representatives; regional management teams were briefed; and online training was made available.

14. The website brings together all ethics-related policies, including the mission statement of UNICEF, policies on protection against retaliation, the anti-fraud policy, among others. All of these are now all, for the first time, translated into

French and Spanish. Other material highlights the Financial Disclosure Programme and its calendar of events.

15. Two kinds of face-to-face training have been developed: face-to-face training and training for functional groups. These were widely presented in 2010.

16. Face-to-face full-day all-staff training uses the United Nations Oath of Office as the basis for linking ethical behaviour to results for children. In this, the training is clearly values-based, and begins with discussions on how the accomplishments and reputation of UNICEF are linked to the contributions of and behaviour by staff, both professionally and in their personal lives. Staff are encouraged to reflect on the advantages and the challenges presented by the multicultural environment of the United Nations and to link these to the unique accomplishments possible in the United Nations. From this basis, it is possible to build acceptance of the constraints faced by international civil servants, in terms of avoiding conflicts of interest, obtaining permission for outside activities and limits on political involvement. Misconduct is linked to the diminishing of results for the organization and for children. There is an intensive review of the policies on fraud, harassment and abuse of authority, protection against retaliation, awards and gifts. Case studies are also considered, with role playing and lively discussion. Attendance of senior staff at each session is mandatory; this makes it is clear to all that the same regulations and standards apply to all international civil servants. The Office of Internal Audit and the Division of Human Resources have contributed co-trainers to each of these sessions.

17. Whenever all-staff training is held, an additional session is held for senior staff. This session covers in more detail issues linked to management and avoidance of conflicts of interest, how to assist staff in identifying and managing them, identifying risk areas for fraud, and managing staff performance fairly.

18. In 2010, these sessions were held for three divisions at headquarters and for the field offices in Nairobi, Amman, Jerusalem, Gaza and Belgrade, covering some 600 staff.

19. Specific modules have been developed for functional groups: operations officers; deputy representatives; supply officers; new representatives, supply staff; NETI staff, and for the New York and global staff associations. In 2010, these training sessions reached some 300 staff members.

20. A link to online training was made available on the ethics website, and staff was encouraged to use this. This is the same training that is being used at the United Nations secretariat. Initially, the plan was to develop UNICEF-specific online training, but this was not possible with the resources available. Instead, steps are being taken to make the Integrity Awareness Initiative mandatory and to track compliance with it while the UNICEF-specific training is being finalized.

21. In order to bring topical discussion to country offices, when it is not possible to provide face-to-face training, online modules are planned that would engage staff in discussions of ethical dilemmas, with material to support the resolution of these dilemmas.

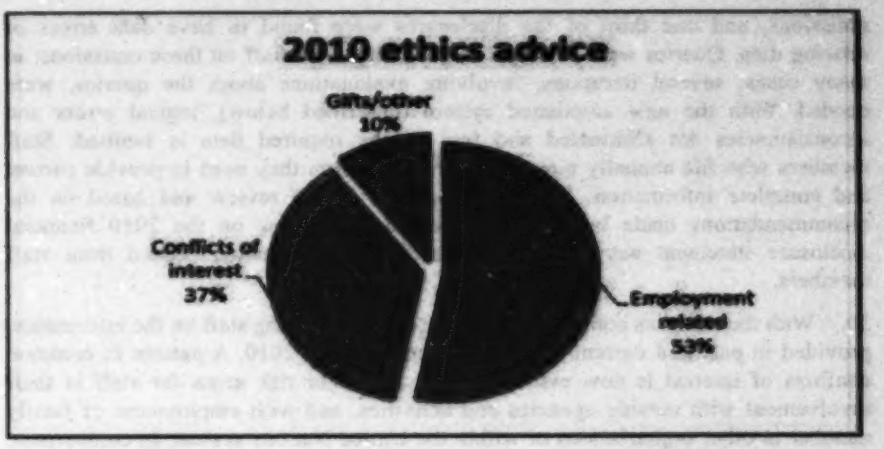
Advice and guidance

22. The Ethics Office provides guidance and advice to staff as one of its key functions. There are several main modalities through which this advice is provided.

23. One way of providing ethics advice is through participation at regional management team meetings and briefing sessions. This fulfils one of the recommendations made in the Audit Report on the Processes for Promoting Ethics and UNICEF Values in Country Offices, namely, to clearly establish and communicate the roles and responsibilities of country representatives for the promotion of ethics and values in their country offices, and supply guidance and tools to enable them to fulfil their assigned responsibilities. All regional management teams have had at least one session; a second round, to deepen the issues and to cover new representatives, is currently under way. Recent research on the importance of ethical leadership from senior management is presented. Specific topics covered include the policy on protection against retaliation, ways to promote ethics to improve our results for children, guidance to staff on outside activities, the Financial Disclosure Programme and conflicts of interest. During these sessions, numerous questions arise; and there ample opportunity is given afterward for specific guidance in individual sessions. In 2010, these briefings were held in the regions for Central and Eastern Europe and the Commonwealth of Independent States region, Eastern and Southern Africa, Western and Central Africa, and the Middle East and North Africa.

24. At all training sessions, time is set aside to provide guidance to all levels of staff on the concerns they raise. A typical visit generally involves providing both individual and group advice on numerous issues and often results in an increase in requests for advice in the following weeks.

25. Many staff members approach the Ethics Office for advice through email, telephone calls or by visiting the office in person. Some of these queries come directly to the Ethics Office staff. There is also a dedicated "ethics" email address (ethics@unicef.org). In 2010, there were a total of 102 requests for ethics advice, aside from those linked to the Financial Disclosure Programme. The majority of these queries had to do with employment-related concerns (53 per cent), including questions of fairness in the workplace, and queries from supervisors on how to manage staff misconduct. Where staff asked for advice about reporting misconduct, they were referred to the Investigations Unit. Some of these queries appear to be linked to either high stress levels among staff in some duty stations or to deep-rooted misunderstandings, oftentimes on cultural grounds.



26. These are referred, as appropriate, to the staff counsellor's office or to the office of the ombudsperson. A significant proportion of queries had to do with advice on conflicts of interesi (37 per cent). Confidential advice was provided to staff on such issues as serving on boards of directors, buying shares in companies and working with other organizations. All staff members who asked about outside activities received confidential advice and were notified that permission would be needed from the Director of Human Resources. Other queries had to do with gifts and other ethics-related concerns (10 per cent).

Financial Disclosure Programme

Background of the Programme

27. The Financial Disclosure Programme provides an annual opportunity for staff to examine their financial and personal engagements for potential conflicts of interest with their work, in order to protect the organization and staff from financial and reputational risks. Managing and administering the programme is one of the main responsibilities of the Ethics Office.

28. In 2010, the programme, in its fourth year, saw a major ramping-up, with several major advances. It was the first time a new online system was used for the registration of participants and for the submission of disclosures. For the first time, a review was conducted of disclosures, and initial feedback was provided to staff on their engagements. Much of this was possible because of the Ethics Specialist at the P-3 level had joined the Ethics Office in April 2010. Compliance remained at a high level.

Review of disclosures and identification of risk areas

29. A review of the disclosures took place in the first half of 2010 with assistance from a private contractor. As this was the first time that these were being reviewed, the first task involved organising and cleaning of data related to some 7,000 individual disclosures. In line with the risk mitigation purpose of the programme, priority was placed on analysing the disclosures from staff currently employed. The earlier disclosure cycles had used a format that allowed errors in logic and

omissions, and one third of the disclosures were found to have data errors or missing data. Queries were thus sent to more than 700 staff on these omissions; in many cases, several iterations, involving explanations about the queries, were needed. With the new automated system (described below), logical errors and inconsistencies are eliminated and less of the required data is omitted. Staff members who file annually now have the information they need to provide correct and complete information. Finally, subsequent to the review and based on the recommendations made by the contractor, the questions on the 2010 financial disclosure statement were revised to clarify the information needed from staff members.

30. With the data sets complete, the process of counselling staff on the information provided in past and current disclosures began in late 2010. A pattern in common conflicts of interest is now evident. There are major risk areas for staff in their involvement with outside agencies and activities, and with employment of family member in other organizations or within the United Nations system. In comparison, there are fewer conflicts having to do with investments in private-sector companies and property management.

New system for submitting disclosures instituted

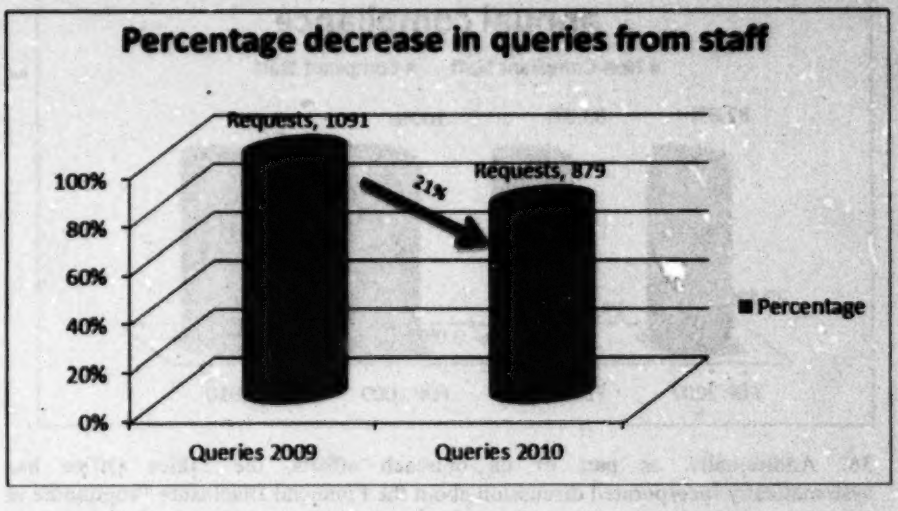
31. With intensive cooperation from the Division of Information Technology Solutions and Services, a new system for submission and management of the disclosure process was instituted in 2010. The new system was pre-tested in eight locations, with at least one in each major working language and with differing levels of internet connectivity. The system is now web-based and can be accessed from any location — a major advantage to staff members who are travelling or based in remote locations. The system is completely automated and securely kept, encrypted and isolated from the other systems.

32. Registration is linked to the Human Resources Information System, ensuring that the names of staff whose grade level or occupational roles would require them to file disclosures are downloaded. Heads of offices then add additional staff following Ethics Office guidelines; these additions are then reviewed by the Ethics Office.

33. The online forms are menu-driven, and all questions must be logically answered. The forms, the embedded help functions and other support materials are available in English, French and Spanish. Administrative follow-up from the Ethics Office is also much more rapid and accurate. As a result of these improvements, there are far fewer gaps in data and no errors in logic are possible. Users have expressed their satisfaction with the flexibility and ease of use of the new system. Improvements suggested by users have been incorporated for the 2011 cycle.

34. One indicator marking both the benefits of the more robust filing system and greater understanding of the purpose of the Financial Disclosure Programme is the number of queries received from staff. While in 2009 some 1,091 queries were received on financial disclosure, in 2010 a total of 879 queries were made, a reduction of 21 per cent. This is no doubt due to the greater familiarity with the system and the ease of using the new system, and this should decrease significantly in years to come. In order to give a clearer idea about the functioning of the system and about the needs for information, these queries are now being disaggregated into two categories. One is requests for information about how to file and guidance on

the mechanics of the system, accounting for 794 queries, or 90 per cent. There were 85 substantive questions (10 per cent) about the Financial Disclosure Programme.



Compliance

35. A total of 2,365 staff members were required to submit a disclosure for the reporting period of 1 January 2009 to 31 December 2009. The compliance rate for 2010 is 99 per cent. It should be noted that although the Ethics Office reported last year that the compliance rate was 99 per cent for the transaction year of 2009, staff members who had not yet complied at the time of issuance of the annual report did so by mid-2010. The compliance rate for 2009 is therefore 100 per cent.

Year	*Number of staff required to file*	*Number of disclosures submitted*	*Compliance (%)*
2007	2 545	2 106	82.8
2008	2 556	2 141	83.8
2009	2 536	2 536	100
2010	2 365	2 356	99.6

The number of staff required to file declined by 7 per cent from 2009 to 2010. This follows a review of the requirements of staff required to file with the Legal Advisor, Office of Internal Audit, Division of Human Resources, and Office of the Executive Director. Based on this review, clear and specific guidance was given to heads of office on the roles of staff whose occupational roles presented a risk and might benefit from a disclosure review. The Ethics Office then worked closely with the heads of office to establish, insofar as possible, comparability in the functions requiring disclosures across the organization. This will also contribute to greater compliance.

36. Additionally, as part of its outreach efforts, the Ethics Office has systematically incorporated discussion about the Financial Disclosure Programme in all training and briefing sessions, in headquarters and field locations. Furthermore, it has prepared several informational and advocacy materials, available in English, French and Spanish. DHR has taken an active role in ensuring that staff members comply with the programme, and the Office has worked closely with DHR to encourage staff to file. For the 2010 Financial Disclosure Programme, initially, 26 staff members did not comply. After intensive follow-up, with continued insufficient response from the staff members, the Ethics Office submitted their names to DHR for action. After additional discussion, it was agreed that there would be a final request from DHR. To date, only 9 staff members have not complied.

37. The Office notes that of the 9 staff who did not file, 6 are in remote locations. This may indicate that in such locations staff members are more isolated and less exposed to discussions of financial disclosure, and perhaps also ethics generally. They might have had difficulty to gather their documents and to file their disclosures by the Financial Disclosure Programme deadline. The Ethics Office is providing additional advocacy materials for such remotely located staff in the next cycle.

Timing

38. The UNICEF financial disclosure filing cycle has generally been in the second quarter of the year, as shown in the table below.

2007	June
2008	May
2009	April
2010	June (*delayed due to institution of new system*)

39. The success of the new system, and especially the recruitment of the Ethics Specialist, has made it possible to accelerate the filing cycle, so that in 2011 it took place in March, at the same time as many other parts of the United Nations system conduct their financial disclosure programmes.

Challenges

40. The Financial Disclosure Programme in 2010 achieved its goals in reviewing a backlog of disclosures from previous years while successfully implementing a more robust new system. The counselling and feedback necessitated by the review continued throughout the year while planning and launching advanced for the new cycle. The new system provides major advantages for analysis, mainly at the aggregate level. As the Financial Disclosure Programme becomes more embedded in the organization's culture of accountability, it is generating more queries before staff members undertake engagements. This will pose a challenge in the coming year. The Ethics Office will need to increase the guidance to staff on conflicts of interest raised in disclosures, and in response to proactive queries from staff. Based on this, the Ethics Office is developing an analysis of risks facing the organization, and will recommend policy refinements to mitigate these risks.

Protection of staff against retaliation

41. In 2010, there were three requests for protection against retaliation. This is a significant reduction from 2009, when there were 12 requests. The nature of the requests changed markedly over the two-year period. In 2009, most of the requests fell outside the direct mandate of the Ethics Office, as they had to do with concerns best dealt with by the Office of the Ombudsperson or by the Division of Human Resources. In 2010, all three requests were linked to either real or perceived instances of misconduct in the organization. Two did not have to do with retaliation covered under the UNICEF policy on protection against retaliation,[3] but elements of these were referred to the Office of Internal Audit for investigation. The third was a complex case in which a staff member's request for protection against threatened retaliation was resolved through informal means.

42. It is likely that several factors resulted in this decrease in requests for protection. Increased publicity about the protection against retaliation programme, especially advocacy through the Global Staff Association, has led to staff better understanding the purpose of the policy and how to make use of it. It also appears that, to some extent, awareness of the new system of justice and the functioning of the United Nations Dispute Tribunal has given staff confidence that their grievances will be heard impartially and do not need to invoke the protection against retaliation policy for them. Finally, there appears to be some lack of confidence in the protection policy; training and outreach is focusing on building this confidence.

[3] Protection against retaliation for reporting misconduct or for cooperating with duly authorized audits, investigations and other oversight activities (UNICEF policy CF/EXD/2007-005 Rev.1 16 January 2008).

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United Nations Ethics Committee

43. In 2010, the United Nations Ethics Committee met eight times. UNICEF participated in all of these meetings. In addition, through frequent and regular email exchanges the committee members continued to share and consult on policies. Of particular note are the review and development of a policy framework incorporating best practices for policies on protection against retaliation; extensive discussion on both the policies for financial disclosure and on management of programmes; and sharing of training methods and experiences. Also in 2010, the United Nations Ethics Network was established, bringing together the United Nations Ethics Committee with other United Nations entities. This network has already contributed to greater coherence among the ethics offices in the United Nations system.[4]

Conclusion

44. With the recruitment of the Ethics Specialist and the establishment of the new system for financial disclosure, the Ethics Office can now focus additional attention on a number of substantive concerns. In the policy area, the Ethics Office will either guide or contribute to the revision of ethics-related policies in 2011, in close consultation with DHR, the Legal Adviser, and the Office of Internal Affairs. Special emphasis is being placed on preparing a policy on a child-friendly environment at home and building support for it.

45. Face-to-face training will continue to be a priority, and modules on ethics awareness are being developed for stand-alone use at the country level. With online rules-based training in place, an updated training will be developed that will link rules to values-based behaviour.

46. Finally, with respect to the Financial Disclosure Programme, more emphasis will now be placed on refining the risk areas encountered by staff and providing them with the needed counsel.

[4] For more on the United Nations Ethics Committee, and the United Nations Ethics Network, please refer to the Report of the Secretary General on the Activities of the Ethics Office (A/65/343).